



U.S. Department of Justice

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**NEWS RELEASE
FOR IMMEDIATE RELEASE:
FRIDAY, FEBRUARY 3, 2006**

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**TAX RESISTER SENTENCED TO PRISON FOR AIDING IN PREPARATION OF
FALSE INCOME TAX RETURN**

LAS VEGAS - LAWRENCE COHEN, an associate of long time tax protestor Irwin Schiff, was sentenced today in United States District Court in Las Vegas for aiding and assisting in the preparation of a false income tax return, announced Daniel G. Bogden, United States Attorney for the District of Nevada, Eileen J. O'Connor, Assistant Attorney General of the United States Department of Justice Tax Division, and J. Wesley Eddy, Special Agent-in-Charge of IRS Criminal Investigation for Nevada and Utah.

COHEN was sentenced to 33 months in prison and ordered to pay \$480,000 in restitution to the IRS. He will also be placed on one year of supervised release following his release from prison.

"The laws are perfectly clear and the courts have consistently upheld the truth: All taxpayers are required to pay their tax obligations," said IRS Special Agent-in-Charge Eddy.

In October 2005, following a five-week jury trial, **COHEN** was convicted of aiding and assisting in the preparation of a false and fraudulent 2000 individual income tax return for Virginia Olen. The return represented that Olen had total income of zero during calendar year

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2000 and was entitled to a refund of \$3,505, when **COHEN** knew she had substantial income during that year. Co-defendants Irwin Schiff and Cynthia Neun were convicted of conspiring to defraud the United States and aiding and assisting in the preparation of false income tax returns. Schiff was also convicted of attempting to evade income tax for the years 1979 through 1985 in the amount of approximately \$1.3 million, and filing false income tax returns. Neun was also convicted of willfully failing to file federal income tax returns, Social Security Disability fraud, and theft of government property in connection with her improper receipt of Social Security disability benefits.

According to the indictment and the evidence introduced at trial, beginning in 1999, Irwin Schiff, Cynthia Neun, and **COHEN** aided thousands of taxpayers in the filing of false federal income tax returns with the IRS that reported zero taxable income in spite of the taxpayers earning reportable income. The evidence presented at trial showed that **LAWRENCE COHEN** was a salesman at Freedom Books, and actively sold products encouraging customers not to pay taxes. **COHEN** also aided and assisted clients in preparing false federal income tax returns that falsely reported zero income to the IRS.

Ms. Neun was the office manager of Freedom Books, a business owned by Mr. Schiff that sold books, tapes, and informational packages encouraging customers not to pay income tax. According to a government witness who testified at trial, between 1997 and 2002, Freedom Books sold more than \$4.2 million of these products.

LAWRENCE COHEN is released on bond, and was allowed to self-report to federal

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prison by April 3, 2006.

Mr. Schiff is scheduled to be sentenced on February 24, 2006, at 10:00 a.m., and Ms. Neun is scheduled to be sentenced on February 23, 2006, at 9:00 a.m.

Assistant Attorney General O'Connor thanked Tax Division Trial Attorneys Jeffrey A. Neiman, David J. Ignall, Melissa Schraibman, and Larry Wszalek who prosecuted the case. She also thanked Special Agents Sam Holland, Adam Steiner, and Autumn Woodard of the IRS, whose assistance was essential to the successful investigation and prosecution of the case.

Additional information about the Justice Department's Tax Division and its enforcement efforts may be found at www.usdoj.gov/tax.

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